

Message Text

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PAGE 01 PORT O 01495 181641Z

43

ACTION EB-07

INFO OCT-01 ARA-10 ISO-00 COME-00 TRSE-00 XMB-04 OPIC-06

AID-05 L-03 CIAE-00 INR-07 NSAE-00 SP-02 EA-10 /055 W
----- 084482

R 181210Z JUN 75

FM AMEMBASSY PORT OF SPAIN
TO SECSTATE WASHDC 7936

UNCLAS PORT OF SPAIN 1495

E.O. 11652: N/A
TAGS: BEXP, EIND, TD
SUBJ: STATUS OF IDC IRON AND STEEL PROJECT; PROCESS
TECHNOLOGY STILL NOT CHOSEN

REF: POS 572 AND PREVIOUS

ALSO FOR COMMERCE/MEPD

1. TRINIDAD GOVERNMENT ANNOUNCED JUNE 17 THAT A FORMAL PARTNERSHIP AGREEMENT WILL BE SIGNED ON JULY 15 WITH TWO JAPANESE COMPANIES TO OPERATE THE INDUSTRIAL DEVELOPMENT CORPORATION'S (IDC) IRON AND STEEL PROJECT. THIS FOLLOWED THE JUNE 8 SIGNING OF A SIMILAR AGREEMENT WITH DUTCH-BASED ESTEL-HOOGOVENS, WHICH WILL HOLD 16.5 PERCENT INTEREST IN THE JOINT VENTURE. THE TWO JAPANESE PARTNERS ARE THE KAWASAKI STEEL COMPANY, WHICH WILL HOLD 11.5 PERCENT, AND MITSUI AND CO. LTD., 5 PERCENT. FOR THE MOMENT, THE GOTT WILL RETAIN 67 PERCENT EQUITY INTEREST, BUT MINISTER OF INDUSTRY AND COMMERCE ERROL MAHABIR SAID THAT THE GOVERNMENT'S SHARE MAY BE REDUCED TO NOT LEST THAN 51 PERCENT, DEPENDING UPON ARRANGEMENTS WITH THE SUPPLIER OF DIRECT REDUCTION TECHNOLOGY TO BE USED BY THE PLANT. MAHABIR ALSO COMMENTED THAT THE AMOCO OIL COMPANY (WHICH WILL PRODUCE THE NATURAL GAS TO FUEL THE PROCESS) HAD EXPRESSED INTEREST IN POSSIBLY ACQUIRING A SMALL SHARE-HOLDING IN THE COMPANY.

2. ACCORDING TO THE JUNE 8 ANNOUNCEMENT, ESTEL IS COMMITTED
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PAGE 02 PORT O 01495 181641Z

ONLY TO AN UNSPECIFIED "FIRST PHASE" OF THE PROJECT, AND A

FINAL INVESTMENT DECISION WILL BE MADE IN SIX TO NINE MONTHS.
THE JUNE 17 ANNOUNCEMENT STATED THAT THE GOTT AND THE JAPANESE
PARTNERS HAD NEGOTIATED A "DRAFT AGREEMENT" WHICH PRESUMABLY
MAY BE SUBJECT TO FURTHER REVISION BEFORE THE JULY 15 SIGNING
DATE. THUS IT APPEARS THAT SOME OF THE UNRESOLVED
ISSUES DESCRIBED BY THE PRIME MINISTER IN MARCH (REFTEL) ARE
STILL PENDING, IN ADDITION TO THE KEY QUESTION OF PROCESS TECHNOLOGY.

3. FOR MEPD: HAS ARMCO FOLLOWED UP ON ITS DECEMBER 11 CABLE
AS RECOMMENDED IN REFTEL? WOULD APPRECIATE REPORT ON STATUS
OF OFFER OF TECHNOLOGY FROM ARMCO'S POINT OF VIEW.

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Message Attributes

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Decaption Date: 01 JAN 1960
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Disposition Approved on Date:
Disposition Authority: n/a
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Disposition Comment:
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Disposition History: n/a
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Margaret P. Grafeld
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